

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
A Request for the Amendment of ) RM-9210  
the Commission's Rules Regarding )  
Access Charge Reform and )  
Price Cap Performance Review for )  
Local Exchange Carriers )

OPPOSITION OF AMERITECH

Ameritech<sup>1</sup> submits this opposition to the petition of the Consumer Federation of America ("CFA"), International Communications Association ("ICA"), and the National Retail Federation ("NRF") (collectively "Petitioners") requesting that the Commission commence a rulemaking proceeding to prescribe interstate access charges "to cost-based levels which eventually should be based on forward-looking economic cost."<sup>2</sup>

Petitioners claim that the Commission's decision to rely on market forces to put downward pressure on access rates is misguided because (1) recent appellate developments have ensured that local competition will not develop, (2) incumbent local exchange carriers

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<sup>1</sup> Ameritech means: Illinois Bell Telephone Company, Indiana Bell Telephone Company, Incorporated, Michigan Bell Telephone Company, The Ohio Bell Telephone Company, and Wisconsin Bell, Inc.

<sup>2</sup> Petition at 9. It should be noted that, historically, the Commission has used the term "cost-based rates" not to mean rates that are at "cost" but rather to refer to a rate structure that is reflective of the manner in which costs are incurred -- i.e., a rate structure which for example recovers non-traffic sensitive costs through flat charges. To that extent, the Commission already has taken massive steps in its recent Access Reform Order to ensure that access charges are more "cost-based." *In the Matter of Access Charge Reform*, CC Docket No. 96-262, First Report and Order, FCC 97-158 (released May 16, 1997) ("Access Reform Order").

("ILECs") will not facilitate local competition, and (3) there is no access competition for exchange access services.<sup>3</sup>

The bases of the petition, however are false, and the Commission's decision to refrain, at this time, from prescribing access rates remains as sound as ever.

I. RECENT APPELLATE DECISIONS DO NOTHING TO INHIBIT THE DEVELOPMENT OF LOCAL COMPETITION ON ECONOMIC TERMS.

Petitioners claim that recent decisions from the United States Court of Appeals for the Eighth Circuit "will largely cripple efforts to create local competition in the near term via [unbundled network elements] UNEs."<sup>4</sup> For support, Petitioners first cite the July opinion in *Iowa Utilities Board v. FCC*<sup>5</sup> finding that the Commission lacks authority "to establish nationwide standards for the price and conditions under which ILECs would make key network elements available to carriers trying to compete locally".<sup>6</sup> But Petitioners' underlying assumption in making this claim is that state commissions will not do their job. The law clearly contemplates that state authorities must set prices in accordance with statutory mandate.<sup>7</sup> Moreover, there is no evidence that states are not up to the task in that regard or that the statutory remedy is inadequate if they fail.<sup>8</sup>

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<sup>3</sup> Petition at 6.

<sup>4</sup> *Id.* at 6-7.

<sup>5</sup> 120 F.3d 753 (8th Cir. 1997).

<sup>6</sup> Petition at 6.

<sup>7</sup> §252(d) of the Communications Act of 1934 as amended by the Telecommunications Act of 1996 ("TA96").

<sup>8</sup> §252(e)(6).

In addition, the Court's second decision cited by petitioners<sup>9</sup> dealt with whether pre-existing combinations had to be made available as unbundled network elements and was a determination of Congress' view as to what is necessary/appropriate to facilitate local competition. The Petitioners are essentially asking the Commission to find that that statutory plan is adequate. Ameritech suggests that such a conclusion is unjustified and is in fact contradicted by the evidence.<sup>10</sup>

## II. THE LOCAL MARKET IS OPEN TO COMPETITORS IN THE AMERITECH REGION

Petitioners attempt to support their request for prescribed access rates by alleging that ILECs have shown little interest in facilitating local competition.<sup>11</sup>

They also attempt to use Ameritech as the "poster child" for their allegations by mischaracterizing statements of its Chairman, Dick Notebaert. Petitioners interpret Mr. Notebaert's statements in a *Communications Daily* article of October 29, 1997, as indicative of Ameritech's and other ILECs' intention to "hunker down" and resist local competitive entry. Their view of Ameritech is wrong.

Mr. Notebaert's words and Ameritech's actions speak louder and more accurately than Petitioners' mischaracterizations. What Mr. Notebaert did say was that the guidance by the Commission in its Ameritech Michigan §271 Order<sup>12</sup> did not constitute a "clear" road

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<sup>9</sup> *Iowa Utilities Board v. FCC* (October 14, 1997).

<sup>10</sup> See Section III, *infra*.

<sup>11</sup> Petition at 6.

<sup>12</sup> *In the Matter of Application of Ameritech Michigan Pursuant to Section 271*, CC Docket No. 97-137, Memorandum Opinion and Order FCC 97-298 (released August 19, 1997) ("Ameritech Michigan 271 Order").

map and that, in some cases, Ameritech respectfully disagreed with the Commission's characterization of a few of the §271 requirements. These honest concerns cannot be twisted into a conclusion -- as Petitioners have attempted to do -- that Ameritech intends in any way to slacken its efforts to comply with the sections of the Act specifically dealing with local competition -- §§ 251 and 252. In fact, as the evidence shows,<sup>13</sup> the local market has been opened in the Ameritech region. As Petitioners have admitted, the Commission -- and the Department of Justice as well -- have recognized Ameritech as an industry leader in opening local markets to competitive entry.<sup>14</sup>

Moreover, with respect to § 271, Ameritech has been and is actively committed to an open dialog to clarify all §271 requirements. For example, Ameritech recently submitted a white paper in that regard in all §271 dockets in an attempt to "move the ball" in a positive manner to facilitate resolution of those issues.<sup>15</sup> In other words, rather than "hunkering down", Ameritech has demonstrated its commitment to achieving progress on competitive issues.

### III. PETITIONERS ARE SIMPLY WRONG IN THEIR ASSESSMENT OF ACCESS COMPETITION.

Petitioners claim that no meaningful local exchange competition will develop in the near term to create downward pressure on access rates.<sup>16</sup> But a careful review of developments over the last two years suggests in fact that this is not the case. There have

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<sup>13</sup> See Section III, *infra*.

<sup>14</sup> Ameritech Michigan 271 Order at ¶¶ 2-3.

<sup>15</sup> January 23, 1998, ex parte submission by Lynn Starr, Executive Director - Federal Relations for Ameritech in CC Docket Nos. 97-121, 97-137, 97-208, and 97-231.

<sup>16</sup> Petition at 2, 8.

been significant changes in the local exchange landscape in keeping with the predictions made when access reform was being considered.

During the access reform proceeding the Commission and other interested parties predicted that the market-based approach to access reform would help stimulate competition by providing profitable opportunities for new entrants. High access charges would attract new competitors using unbundled network elements or their own facilities or both, new capital would be drawn to the industry for creating new infrastructure, and prices would decline.<sup>17</sup> In the short time since the access reform order was released, the first two of these predictions have proven true. It is wholly unreasonable for Petitioners to request that the Commission reverse its decision when the clear trajectory of current events is toward fulfillment of the Commission's goals.

To demonstrate that the local market is open in its service areas, Ameritech offers Attachment A, a list of the status of the applications of competitive carriers for state certification, and Attachment B detailing the status of interconnection agreements. This data clearly shows that the level of competitive interest in the Ameritech region is extremely high. In addition, Attachment C demonstrates the active nature of that competition -- detailing the explosive growth of resold lines, unbundled loops and end office integration trunks.

In addition, prior to the Commission's access reform decision, local exchange competition was characterized by a group of relatively small, unknown companies competing for business customer services primarily in urban areas. Since then, however, agreements

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<sup>17</sup> Access Reform Order at ¶258-284, 289. Also, Ameritech Comments in that docket, filed January 29, 1997, at 48-49 and attached statement by Dr. Kenneth Gordon, "Access, Regulatory Policy and Competition" at 21-22; Ameritech Reply Comments filed February 14, 1997, at 6-8 and attached

have been struck to merge the two largest interexchange carriers, AT&T and MCI, with the two largest CAPs, Teleport and MFS/Brooks (controlled by WorldCom). A casual reading of the press reports discussing these transactions demonstrates that these mergers will have an enormous impact on the development of local exchange competition, beginning with significant inroads into ILEC access demand.

On a standalone basis, the CAPs had high levels of available capacity to capture access traffic. But they lacked the market presence to capture concomitant traffic volumes. Their mergers with the largest IXC's has drastically changed this in a way that will greatly influence local exchange and exchange access competition.

An important justification for the acquisition prices paid has been the expectation of significant access reductions. Below are summarized the parties' own estimates of access savings that are expected to result from the various mergers that have taken place between the long distance carriers and CAPs.

Merger Partners	1999	Access Charge Savings 2002
WorldCom - MFS <sup>18</sup>	\$200-\$400 M	\$200-\$400 M
WorldCom - Brooks <sup>19</sup>	\$35-45 M	\$35-45 M
WorldCom - MCI <sup>20</sup>	\$400-\$550 M	\$1,600 M
AT&T - Teleport <sup>21</sup>	\$500-\$800 M	\$1,100-\$1,250 M
Total	\$1,135-\$1,795 M	\$2,935-\$3,295 M

These are not trivial numbers. Total ILEC access revenues in 1996 totaled \$35.6 billion.<sup>22</sup>

These mergers thus have created the opportunity for access charge savings of nearly 10% of industry access revenues, and a much higher percentage of revenues for the geographic markets in which the CAPs provide service.

Clearly the mergers have greatly increased the competitive capabilities of the CAP local exchange networks. Teleport's 1997 revenues are expected to be less than \$500 million

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<sup>18</sup> "WorldCom to Buy MFS for \$12 Billion, Creating a Phone Giant", New York Times, Aug. 27, 1996. At D1. Report did not specify savings by specific year. Assumes that reported savings estimates are the same in both 1999 and 2002.

<sup>19</sup> "WorldCom Acquiring Brooks Fiber; Offering to Acquire MCI Communications", Wheat First Butcher Singer, reported in First Call, Oct. 2, 1997. Report did not specify savings by specific year. Assumes that reported savings estimates are the same in both 1999 and 2002.

<sup>20</sup> "WorldCom Inc. (WCOM-OTC) Definitive Deal with MCIC, Strongly Accreative; Aggressively Reiterate Strong Buy", UBS Securities Equity Research, Nov. 11, 1997.

<sup>21</sup> "An 11 Billion Bargain", Businessweek, Jan. 26, 1998, at 37.

<sup>22</sup> FCC Common Carrier Bureau, Industry Analysis Division, Telecommunications Industry Revenue: TRS Fund Worksheet Data, Nov., 1997, at 3.

in total.<sup>23</sup> Yet its merger with AT&T will create \$500 million in access savings alone in 1999. In addition, there will be substantial additional revenues from the leveraging of AT&T's brand name to provide local exchange services and one stop shopping. New revenues from the merger that would not otherwise have occurred are estimated to be between \$330 million and \$450 million in 1999 and between \$660 million and \$750 million in 2002. Thus, total revenue loss for ILECs in Teleport-served markets will be in the range of \$1 billion in 1999 as a result of this merger without accounting for additional buildout of new facilities which AT&T can surely afford.

In addition to this vibrant new competition for access services, these mergers greatly enhance the ability of the local exchange partners to obtain capital to expand the breadth, depth and capabilities of their networks. Both MCI and AT&T are well-established companies with strong balance sheets and cash flows. Whereas prior to the mergers, the IXC's would have had to invest in more speculative de novo construction of local exchange networks, this capital can now be invested instead in the expansion and upgrade of already existing, operational networks at a much lower cost.

To the extent that the IXC's wish to pass them along to customers, these access savings will lead to reductions in long distance prices that Petitioners are required to pay. More importantly, the ability of the IXC's to bypass ILEC access facilities will create pressure on the ILECs to avoid even larger losses by reducing access prices over time. Again, if the IXC's are willing to pass the cost savings along, there can be significant reductions in long distance rates for the American consumer.<sup>24</sup>

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<sup>23</sup> "An 11 Billion Bargain", *supra*.

<sup>24</sup> Of course, apart from this indirect pressure on long distance prices, Petitioners will see real and direct competitive pressure on long distance prices once Ameritech is permitted to market and sell in-region long distance services to them.



While public commentators and others have bemoaned the recent merger wave in the telecommunications business, the CAP-IXC mergers have clearly created competitors in the local exchange business which are more viable and powerful than the CAPs on a standalone basis. Not only are the CAPs stronger competitors, with the ability to leverage off IXC brand names and customer bases, but they also have access to more capital market dollars at a lower cost of capital. The pressure to reduce access rates towards their economic cost can only be increased as a result of these developments.

IV. THE COMMISSION CORRECTLY CONCLUDED THAT PRESCRIBING ACCESS RATES IS NOT APPROPRIATE AT THIS TIME.

Petitioners demand that "[a]ccess charges must be prescribed to cost-based rates".<sup>25</sup> Yet to do so can only hinder the development of competition and render unprofitable much of the investment that has been and is being made by competitive local exchange carriers.<sup>26</sup>

In the Access Reform Order, the Commission correctly concluded that an immediate represcription of access rates to forward-looking costs was inadvisable. The Commission first noted that cost models were not yet available.<sup>27</sup> However, it also noted:

[E]ven assuming that accurate forward-looking cost models were available, we are concerned that any attempt to move immediately to competitive prices for the remaining services would require dramatic cuts in access charges for some carriers. Such an action could result in a substantial decrease in revenue for incumbent LECs, which could prove highly disruptive to business operations, even when new explicit universal support mechanisms are taken into account. Moreover, lacking the tools for making accurate prescriptions, precipitous action could lead to significant errors in the level of access charge reductions necessary to reach competitive levels. That

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<sup>25</sup> Petition at 3.

<sup>26</sup> See Ameritech Reply Comments in CC Docket No. 96-262, filed February 14, 1997, at 2, 18-20 and attached reply statement of Dr. Kenneth Gordon at 10, 13-17.

<sup>27</sup> Access Reform Order at ¶45.

would further impede the development of competition in the local markets and disrupt existing services.<sup>28</sup>

In light of that fact, the Commission correctly concluded:

Competitive markets are superior mechanisms for protecting consumers by insuring goods and services are provided to consumers in the most efficient manner possible and at prices that reflect the cost of production.<sup>29</sup>

Only the marketplace can dictate the efficient price, through the coalescence of cost and demand information and the experimentation of suppliers and customers. As Ameritech has pointed out, "To the extent ILEC access rates are prescribed at levels that are below what would have been normal market levels, those rates will discourage entry or expansion by efficient competitors."<sup>30</sup> If the goal is competition, it cannot be achieved by eliminating the opportunity to earn a profit for new entrants seeking to invest capital and build facilities.

That is especially true if, as Petitioners apparently would have it, rates were to be prescribed to the forward looking costs of the most efficient competitor. This would not only make it impossible for Ameritech and other ILECs to recover the costs they have prudently incurred in the provisioning of access services placing a chill on future network investment, it also would preclude, or greatly discourage, entry by new competitors by eliminating any profit that they could hope to earn upon entry. Indeed, the only entry that could take place would be by that most efficient competitor, and it would do so with the prospect of earning a return only sufficient to cover its capital cost. As Ameritech pointed out in its Access Reform Reply Comments:<sup>31</sup>

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<sup>28</sup> *Id.* at ¶46.

<sup>29</sup> *Id.* at ¶263.

<sup>30</sup> Comments filed on January 29, 1997, in CC Docket No. 96-262.

<sup>31</sup> Filed February 14, 1997, at 18, and attached reply statement of Dr. Kenneth Gordon at 13-14.

A prevailing market price is determined by the interaction of all suppliers and consumers and over the long run will be at the level of the actual costs of the least efficient firm able to stay in the market and vie for competitors. (Emphasis added).

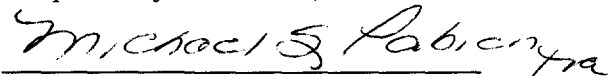
The evidence is clear, as noted in the previous section, that competition exists and that the pressures on LEC access charges are escalating. In that light, not only should the Commission refuse to reconsider its decision not to presubscribe access rates, it should expedite the second phase of access reform and begin the implementation of pricing flexibility for LEC access services. As the Commission stated:

Instead of exposing customers to harm, we expect that permitting incumbent LECs certain kinds of flexibility in response to the development of competition will allow prices for interstate access services to adjust in ways that reflect the underlying economic costs of providing those services without moving outside the range of rates that are just and reasonable.<sup>32</sup>

V. CONCLUSION.

In light of the foregoing, Petitioners' petition for rulemaking should be denied.

Respectfully submitted,



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Dated: January 30, 1998  
[MSP0094.doc]

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<sup>32</sup> Access Reform Order at ¶364.

# **Attachment A**

# STATE COMPETITIVE ACTIVITY

IL						
AT&T	R,B		12-8-95			
Cable & Wireless		B	2-22-96			
CalTech		R,B	7-17-96			
CIMCO		R,B	6-25-97			
Continental Telecom	R,B	R,B	9-25-96			
Datacom International		R,B	X			
FareCALL		R,B	X			
Fast Connections		R,B	8-27-97			
HiRim	R,B		7-9-97 (withdrawn)			
LCI		R,B	1-10-96			X
LDDS		R,B	2-22-96			
Local Line America		R,B	7-30-97			
MCI Metro	R,B		8-16-95	ANC		
MFS	R,B		7-10-94	TAR ANC		X
Midwestern Telecom		R,B	7-9-97			
MSN Comm		R,B	X			
One Stop Telecomm	R,B	R,B	8-7-96			X
SBMS ILL Serv		R,B	12-20-95	ANC		
TC Systems	R,B		9-7-94 Abandoned 1-1-96			
TC Systems - ILL & TCG Illinois	R,B	R,B	11-21-95			
TCI	R,B	R,B	7-17-96			
Teleport	R,B	R,B	11-21-95	TAR		X
US Telco		R,B	8-27-97			
WinStar	R,B	R,B	3-27-97	NEG		X
Sharon Telephone	R,B		7-9-97			
Ushman Comm.	R, B	R, B	2/5/97			
TCG St. Louis		R,B	3-12-97			
A.R.C. Network	R,B	R,B	5-10-96			
Access Network		R,B	9-20-95			
Access One		B	10-9-96			
ACI	R,B	R,B	3-28-95			
Adams Telesystems		B	4-12-97			
Adams Telsystems	R,B		5-7-97			
AM I Comm.		R,B	5-7-97			
Amer Telecom		R,B	X			
Annox		R,B	9-24-97 (withdrawn)			
AT&T	R,B	R,B	5-22-96			
Atlas Comm.	R,B	R,B	X			

IL	BellSouth BSE	R,B	R,B	X		
	Cambridge Telecom	R,B	R,B	6-11-97		
	Century Enterprises	R,B	R,B	8-27-97		
	CIMCO		R,B	9-10-97		
	Clarity Tel		B	2-20-97		
	Coast to Coast	R,B	R,B	5-7-97		
	Comm/NET Serv		R,B	X		
	Communications Telesystems	R,B		X		
	Consol. Comm	R,B	R,B	8-14-96	NEG	
	Covad Comm	R,B	R,B	X		
	CrossLink Long Distance		R,B	X		
	Cypress Telecom.	R,B	R,B	X		
	Damron Comm.		R,B	X		
	Data Net Systems		R,B	X		
	Dial & Save		R,B	X		
	Digital Serv.	R,B	R,B	7-31-96		
	DK Comm		R,B	X		
	Easton Telecom	R,B	R,B	5-7-97		
	Egyptian Comm.	R,B	R,B	5-7-97		
	Excel Comm		R,B	7-9-97		
	Fast Connections		R,B	X		
	FGInet		R,B	X		
	Focal Comm	B	B	11-7-96	NEG	
	Frontier Telemanagment		R,B	6-5-96		
	GE Capital Comm		R,B	12-18-96		
	Genesco Comm	R,B	R,B	6-11-97		
	Global Comm	R,B	R,B	X		
	Group Long Dist.	R,B	R,B	X		
	GTE Card		R,B	9-24-97 (interim)		
	Henry County Comm.	R,B	R,B	6-11-97		
	IlliniNetworks		R,B	7-6-97		
	Inter-Tel Netsolutions		R,B	3-26-97		
	Interaccess		R,B	X		
	Intermedia Comm	R,B	R,B	11-26-96		
	Intra Community Comm.	R,B	R,B	7-30-97		
	J3 Comm		R,B	X		
	KMC	R,B	R,B	3-12-97		
	LDM Systems	B	B	X		
	LEC-Link		R,B	X		
	Local Line		R,B	X		
	Madison Network	R,B	R,B	6-25-97		
	MCI Metro	R,B	R,B	3-12-97		
	MCI Metro		R,B	6-25-97		
	McLeod	R,B		4-24-96		
	MFS	R,B	R,B	3-26-97		
	MGC Comm.	R,B	R,B	7-9-97		
	Micom		R,B	X		
	Microwave Serv.	R,B	R,B	7-31-96		X

Company		R		B		T
IL	MIDCOM	R,B	R,B	2-20-97		
	Midwest Fibernet	R,B	R,B	11-21-95		X
	Millenium Group	R,B	R,B	4-23-97		
	Millwave	R,B	R,B	10-9-96		
	Minimum Rate Pricing		R,B	10-23-96		
	MTC Comm.	R,B	R,B	8-27-97		
	Network Logic	R,B	R,B	X		
	NEXTLINK ILL	R,B	R,B	7-9-97		
	One Point Comm	R,B	R,B	5-7-97		
	OpTel Telecom	R,B	R,B	8-13-97		
	Paramount	R,B	R,B	X		
	Payphone Serv.		R,B	X		
	POPP Telecom		R,B	8-27-97		
	Preferred Carrier		R,B	3-27-97		
	QST Comm.	R,B	R,B	9-5-96		
	Quintelco		R,B	X		
	SBMS ILL Serv	R,B	R,B	X		
	Sprint	R,B	R,B	7-31-96		X
	Sterling International Funding		R,B	X		
	Tel-Link Of Ill		R,B	X		
	TEL-LINK of ILL		R,B	7-30-97		
	Tel-Save		R,B	X		
	Telecard Serv.		R,B	X		
	TELECOM		R,B	10-8-97		
	Telecom Access		R,B	X		
	Teletrust Comm.	R,B	R,B	X		
	Telgent	R,B	R,B	X		
	U.S. West		R,B	X		
	US Ameritel	R,B	R,B	X		
	US Long Distance		R,B	9-10-97		
	US ONE	R,B	R,B	1-23-97		
	US OnLine Comm		R	3-27-96		
	US West Interprises	R,B	R,B	X		
	US Xchange	R,B	R,B	7-9-97		
	USA eXchange		R,B	7-9-97		
	Ushman Comm	R,B	R,B	2-5-97		
	USN	R,B	R,B	1-10-96		
	Valnet Comm.		R,B	7-30-97		
	Webash Independent Network	R,B	R,B	5-7-97		
	Worldcom	R,B	R,B	9-24-97		
	Century Enterprises			X		
	MCI	R,B	R,B	8-7-94	ANC	
IN	MCI/Hancock	B		11/21/95	12/22/95	X
	TCG	R, B		1/23/97	3/12/97	X
						Appve 5/20/97

IN

Access Network Svcs.		B	1/15/97	8/28/97	
ACI		R, B	X		
Alternate Comm. Technology		R, B	X		
Annox, Inc.		R, B	8/27/97		
AT&T	R, B	R, B	FB-5/8/97 R-9/5/96	3/26/97	
Atlas Comm.		R, B	8/27/97		
Bell South BSE		R, B	X		
Cable & Wireless		R, B	10/8/97		
CIMCO Comm.		R, B	8/6/97		
Coast to Coast Telecom		R, B	9/10/97		
Communications Prods	R, B	R, B	FB-8/27/97 R-2/5/97		
Comtek of Ind.		R, B	7/2/97		
Consolidated Com.	R, B	R, B	3/5/97		
Dial & Save of Indiana		R, B	1/29/97		
Diversified Comm	R, B	R, B	FB-X R-7/9/97		
Easton Telecom Svcs.		R, B	9/10/97		
Excel Telecom.		R, B	8/11/97		
Focal Comm Corp.	R, B	R, B	X		
GE Capital Com.		R, B	3/26/97		
Golden Harbor of IN		R, B	8/27/97		
Group Long Distance, Inc.		R, B	X		
GTE LD		R, B	8/19/97		
ICG Telecom Group	R, B	R, B	4/4/97		
Intermedia Com.	B	B	F-5/28/97 R-3/20/97		
KMC Telecom Inc.	B	B	FB-5/14/97 R-3/20/97		
LCI		R, B	2/19/97	8/13/97	
LDM Systems		R, B	7/30/97		
Local Line America		R	8/6/97		
MCI Metro	R, B	R, B	FB-X R-5/28/97		
McLeod USA		R, B	X		
MFS Intelenet	B	B	3/5/97	10/30/96	
MiComm Services, Inc.		R, B	X		
Microwave Svcs., Inc.			7/30/97		
Midwest Telecom of America		R, B	1/23/97		
Millenium Group			4/30/97	10/8/97	
One Call		R, B	1/23/97		
Preferred Carrier Svcs.		R, B	3/5/97		
Quintelco, Inc.		R, B	X		
Sprint	R, B	R, B	FB- 8/13/97 R-8/11/97	ARB APPROVED 4/11/97	



IN						
	Starcomm America		R, B	1/8/97		
	Sterling International		R, B	X		
	Swayzee Telco		R, B	X		
	Sweetser Telephone company	R, B		X		
	Tel-Link; L. L. C.		R, B	X		
	Tel-Save, Inc.		R, B	X		
	Time Warner	R, B	R, B	6/25/97	APPRVD 11/13/96	
	US Exchange of IN	R, B	R, B	FB- 7/30/97 R-5/8/97		
	US Long Distance		R, B	8/27/97		
	US Tel Corporation		R, B	X		
	US Telco		R, B	8/27/97		
	US West Interprise America	R, B	R, B	FB-X R-7/16/97		
	USN Comm Midwest		R, B	10/8/97		
	Winstar Wireless	R, B	R, B	FB- 7/30/97 R-5/8/97		
MI						
	AT&T	R, B	R, B	4/26/96	ARB	X
	BRE Communications	R, B	R, B	8/12/97	NEG	
	Brooks Fiber	R, B	R, B	8/1/96	NEG	
	Building Communications		B	3/10/97		
	CIMCO Comm.	R, B	R, B	X		
	CMC Telecom	R, B	R, B	X		
	Continental	R, B	R, B	9/12/96		
	Cypress Telecom	R, B	R, B	2/5/97		
	Easton Telecom	R, B	R, B	10/15/97		
	MCI Metro	R, B		3/29/95	ARB	X
	MFS	B		5/9/95	NEG	X
	Microwave Services	R, B	R, B	7/31/97		
	Millennium Group	R, B	R, B	5/7/97		
	Polycom America		R, B	6/25/97		
	Sprint	R, B	R, B	11/26/96	ARB	
	Tel-Save, Inc.	R, B	R, B	8/25/97		
	Tele-Phone Com. (TPC)		R, B	2/5/97		
	Teleport	R, B	R, B	4/26/96	ARB	X
	USN	R, B	R, B	8/26/96	NEG	X
	WinStar	R, B	R, B	6/26/96	NEG	
	AT&T	R, B	R, B	11/8/95	ARB	X
	Climax Telephone Co.	R, B		10/07/96		
	Easton Telecom	R, B	R, B	10/15/97		
	MFS	R, B		11/14/96	NEG	
	Millennium Group	R, B	R, B	5/7/97		
	Sprint	R, B	R, B	11/26/96	ARB	
	USN	R, B	R, B	2/5/97	NEG	

MI		R, B		4/4/97		8/28/96	
MI	A. R. C. Networks, Inc.		R, B	4/4/97			
	ACI	R, B		8/28/96			
	AT&T ( All Detroit Dist.)	R, B	R, B	4/26/96	ARB		X
	Building Com.		B	3/10/97			
	CIMCO Comm.	R, B	R, B	X			
	CMC Telecom	R, B	R, B	X			
	Coast to Coast	R, B	R, B	1/8/97	NEG		
	Comcast M H Telephony	R, B	R, B	12/20/96			
	Comcast Telephony	R, B	R, B	12/20/96			
	Continental		R, B	9/12/96			
	Cypress Telecom.	R, B	R, B	2/5/97			
	Easton Telecom	R, B	R, B	10/15/97			
	Image Paging of MI		R, B	8/25/97			
	KMC	R, B	R, B	4/4/97			
	LCI		R, B	4/26/96			
	MCI/Metro	R, B		3/29/95	ARB		X
	MFS	R, B		5/9/95	NEG		X
	Microwave Services	R, B	R, B	7/31/97			
	Polycom America		R, B	8/25/97			
	Sprint	R, B	R, B	11/26/96	ARB		
	TCG ( All Detroit Dist)	R, B	R, B	4/27/96	NEG		X
	Tel-Save, Inc.	R, B	R, B	8/25/97			
	Tele-Phone Com. (TPC)		R, B	2/5/97			
	U. S. Network	R, B	R, B	8/26/96	NEG		X
	WinStar	R, B	R, B	8/26/96	NEG		
	A. R. C. Network, Inc.		R, B	08/28/96			
	ACI	R, B		08/28/96			
	AT&T	R, B	R, B	11/08/95	ARB		X
	BRE Comm	R, B	R, B	8/12/97	NEG		
	Brooks Fiber	R, B	R, B	10/12/94	NEG		X
	LCI		R, B	04/26/96			
	MFS	R, B		11/14/96	NEG		
	Millennium Group	R, B	R, B	5/7/97			
	Sprint	R, B	R, B	11/26/96	ARB		
	USN	R, B	R, B	2/5/97	NEG		
	AT&T	R, B	R, B	4/26/96	NEG		
	BRE Comm	R, B	R, B	8/12/97	NEG		
	Brooks Fiber	R, B	R, B	8/01/96	NEG		X
	Continental	R, B	R, B	9/12/96			
	MFS	R, B		11/14/96	NEG		
	Millennium Group	R, B	R, B	5/7/97			
	Sprint	R, B	R, B	11/26/96	ARB		
	USN	R, B	R, B	2/5/97	NEG		
	BRE Comm	R, B	R, B	8/12/97	NEG		
	Michigan Indep. Network	R, B	R, B	5/22/97			

MI Saginaw, Bay City, Clio, Mt. Morris, Fenton, Flint, Farmington, Grand Blanc,

Local	Entity	File	Ref	Appr	Stat	TAR
	BRE Communications	B		10/24/96	NEG	
	MFS	R, B		11/14/96	NEG	
	USN	R, B	R, B	2/5/97	NEG	
	Trans. Co. of Am.					
	AT&T	R, B	R, B	4/26/96	ARB	X
	BRE Comm	R, B	R, B	8/12/97	NEG	
	Brooks Fiber	R, B	R, B	08/29/95	NEG	X (For all three cities)
	MFS	R, B		11/14/96	NEG	
	Sprint	R, B	R, B	11/26/96	ARB	
	USN	R, B	R, B	2/5/97	NEG	
	44 Companies & 252 Lines					
	Continental Cable Vis.	R, B	R, B	9/12/96		
	Local Partners					
	BRE Comm	R, B	R, B	8/12/97	NEG	
	Coast to Coast (RS)	R, B	R, B	1/8/97	NEG	
	Millennium Group	R, B	R, B	5/7/97		
	Tel-Save, Inc.	R, B	R, B	8/25/97		
	Frontier Telemanagement		R, B	7/10/97		
	GTE Card	R, B	R, B	X		
	KMC	R, B	R, B	4/4/97		
	Long Distance of MI	R, B	R, B	X		
	MCI Metro	R, B	R, B	6/5/97	ARB	
	MidCom Communications	B	R	4/24/97		
	Sprint	R, B	R, B	7/10/97	ARB	
	US Xchange of MI	R, B	R, B	X		
	USN Communications	R, B	R, B	X	NEG	
OH	Cablevision Lightpath-OH	R, B		08/01/96		
	MCI/Metro*	B	R, B	08/31/95	NEG	Appvd
	MFS*	B		08/03/95	NEG	Appvd
	TCG	R, B		9/26/96	Order 12/24/96	Appvd
	US One	R, B	R, B	X		
	MCI/Metro	R, B	R, B	08/31/95	NEG	Appvd
	MFS	R, B		08/03/95	NEG	Appvd
	Mid Com.		R, B	1/16/97		
	Scherer Com. (614 LATA)	R, B	R, B	9/19/96		
	Time Warner*	R, B		08/24/95	NEG	X
	US One	R, B	R, B	X		
	MCI Metro*	B	R, B	08/31/95	ANC	Appvd
	TCG	R, B		9/26/96	Order	Appvd
OH						

LOC	NAME	R	B	DATE	STATUS	TAR
					12/24/96	
	Time Warner	R, B		08/24/95	NEG	
	Brooks Fiber (Lucas, Wood Counties)	R, B	R, B	9/19/96	NEG	Appvd
	Buckeye Telesystem	R, B	R, B	Apprvd		
	A. R. C. Networks		R, B	3/13/97		
	Access Network		R, B	X		
	ACI	R, B		X		
	AT&T		R, B	08/22/96	Order 12/05/96	
	Atlas Comm	B	B	X		
	Bell South, BSE		R, B			
	Blue Ribbon Rentals		R	X		
	BN1		R, B	Apprvd		
	Cable & Wireless		B	1/15/97		Appvd
	CBG		R, B	10/24/96	NEG	
	CIMCO		B	Apprvd 9/18/97		
	Coast to Coast		R, B	5/8/97		
	Communications Options	R, B		5/22/97		
	CRG		B	X		
	DIGICOM, Inc.		R, B	4/7/97		
	Eagle Comm.		R, B	X		
	Easton Com	B	B	X		
	Excel Telecom		R, B	Apprvd		
	Frontier Telemgmt		B	6/10/97		
	Globalcom		R, B	X		
	Group Long Distance		R, B	X		
	ICG	R, B	R, B	7/3/96	NEG	X
	Intermedia Comm.		B	5/6/97		
	LCI		R, B	3/13/97		Appvd
	LDDI, Inc.		R, B	X		
	LDM	B	B	Apprvd		
	Local Fone Service.		R, B			
	Millenium Group	B	B	X		
	NEXTLINK	R, B		1/15/97	NEG APPROVED	Appvd
	OCOM, Corp.		R, B	4/18/97		X
	PCS		R, B	3/3/97		
	Quintelco		R, B	X		
	Sprint		R, B	X		X
	Sterling Int'l Fund		R	X		
Tel-Save		R	Apprvd			
US Long Distance (USLD)		R, B	X			
US One Comb.	R, B	R, B	4/25/97			
US Telco		R, B	X			
USN		B	3/27/97	TAR		
OH	Winstar	R, B	R, B	3/3/97		

WI	ACI	R, B	R, B	F. 11/27/95		
	AT&T	B	R, B	09/01/94	ARB 12/23/96- APP 1/15/97 Executed	
	Bayland Com.	R, B	R, B	2/20/97  Second Interim Order Signed 7/31/97	ARB (P)	
	Chequamegon	R, B	R, B	7/29/97 Second Interim Order Signed 7/31/97		
	CIMCO		R, B	9/17/93		
	CTC Communications	R, B	R, B	2/20/97  Second Interim Order Signed 7/31/97		
	Dakota Services Ltd	R, B		4/15/97		
	Frontier		R, B	A		
	Global Telecom		B	A		
	Intermedia Com.	R, B	R, B	2/25/97		
	Intra Community Com.	R, B	R, B	7/17/96		
	KMC Telecom	R, B	R, B	1/29/97	Neg (P)	
	LCI International	R, B	R, B	8/12/96	Neg (P)	
	M H Telecom, Inc.	R, B	R, B	X		
	MCI Telecom.	B	R, B	09/01/94	ARB (P)	
	MCI/Metro	R, B	R, B	2/22/96	Interim Not Subject to Approval	
	McLeod	R, B	R, B	FB- 4/15/97 R-5/31/96	ARB 9/11/97	
	MFS	R, B	R, B	07/18/96	NEG7/31/9 7	
	Microwave Services	B	B	5/28/97 (Mtw. SMSA only)		

WI	Mid Plains	R, B	B	8/9/94	Interim	
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Company	Facilities Based	Residence	Resale	Business	Tariff	ATU Status
						grants ATU Status
Millennium		R, B		9/4/96		
National Comm		R, B		X		
NET LEC, Inc.	R, B	R, B		X		
Network Recovery Services		R, B		2/9/95		
Norlight, Inc. ** (MRC)	B	R, B		08/16/96		
Sprint	B	R, B		09/01/94	ARB 4/16/97	
Strategic Alliance		B		10/11/91		
TCG	R, B	R, B		10/27/95	ARB 3/4/97	
TDS/Madison CLEC	R, B	R, B		2/25/97	Interim grants ATU status	
Telecom Assoc.		B		Apprvd		
Time Warner	R, B	R, B		03/28/96	NEG 8/27/96	
US Xchange	R, B	R, B		5/23/97	NEG (P)	
USN Communications		R, B		9/1/95		
West Wisconsin	R, B	R, B		7/9/97		
				Second Interim Order Signed 7/31/97		
WinStar	R, B	R, B		8/14/96		

FB = FACILITIES BASED R = RESIDENCE RS = RESALE B = BUSINESS TAR = TARIFF  
 NEG = NEGOTIATION ANC = ANCILLARY AGREEMENT ARB = ARBITRATION

\* Obtained certification but not operating authority

\*\* Originally certified as MRC. Corporate merger resulted in Norlight being certified

\*\*\* Limited certification to GTE areas

# **Attachment B**

# INTERCONNECTION AGREEMENT STATUS

Entity	Signed	Filed	Approved
US Network (resale)		(1)	(1)
Access Network Services (Recip. Comp)	5/30/97		
MSG	5/7/97		
NEXTLINK	9/10/97		
Teligent	9/12/97		
MIDCOM	9/15/97		
SBMS - Cellular One (recip. comp.)	3/22/97	5/6/96	6/26/96
MFS	5/17/96	5/28/96	8/7/96
Winstar	6/26/97	8/2/96	10/9/96
CCT	10/29/96	10/31/96	12/23/96
Focal Communications	10/28/96	11/27/96	2/20/97
AT&T	1/14/97	12/12/96	1/8/97
TCG	1/20/97	12/13/96	1/8/97
SBMS - Central Illinois (recip. comp.)	12/18/96	12/20/96	2/20/97
Eastern Missouri (recip. comp.)	12/18/96	12/20/96	2/20/97
360 Communications (recip. comp.)	12/12/96	1/8/97	3/12/97
TCI	12/18/96	1/21/97	4/14/97
US Cellular (recip. comp.)	12/13/96	1/27/97	3/26/97
MCI/Metro	5/5/97	1/28/97	4/28/97
Sprint	2/25/97	1/31/97	2/20/97
SBMS - Cellular One (recip. comp.) (2)	3/6/97	3/13/97	5/7/97
GTE MobileNet Davenport (recip. comp.)	2/11/97	3/21/97	5/21/97
Illinois RSA1 Limited (recip. comp.)	2/11/97	3/21/97	5/21/97
Rockford MSA Limited (recip. comp.)	2/11/97	3/21/97	5/21/97
Ameritech Mobile (recip. comp.)	3/11/97	3/24/97	5/21/97
AT&T Wireless (recip. comp.)	3/17/97	3/27/97	6/11/97
Bell South Cellular (recip. comp.)	2/25/97	3/27/97	5/21/97
One Com-NEXTEL (recip. comp.)	4/9/97	4/29/97	6/25/97
MCI Metro (3)		5/10/97	5/23/97
MFS Intelenet (2)	4/8/97	5/23/97	7/31/97
Southern IL RSA Cellular (recip. comp.)	5/12/97	5/23/97	7/9/97
GTE (EAS)	6/27/97	6/30/97	
SBC (EAS)	6/27/97	6/30/97	
US West (EAS)	6/27/97	6/30/97	
LCI International (Resale)	7/8/97	7/28/97	
PrimeCo. (recip. comp.)	7/14/97	8/11/97	
Sprint Spectrum (Recip. Comp)	5/30/97	8/21/97	
KMC Telecom	4/22/97	8/29/97	
Intermedia Comm.		9/5/97	
US Xchange		9/15/97	



McLeod (Resale)	8/16/97	9/26/97	
KMC Telecom	4/22/97		
MIDCOM	9/15/97		
MCI/Hancock County (interim)	12/22/95	12/22/95	(4)
MFS	7/12/96	8/2/96	10/30/96
Time Warner	7/12/96	8/12/96	11/13/96
360 Communications (recip. comp.)	1/31/97	2/3/97	4/16/97
TCG (5)	2/10/97	2/12/97	3/12/97
US Cellular (recip. comp.)	12/13/96	2/12/97	5/8/97
SBMS (recip. comp.)	1/22/97	2/21/97	4/16/97
AT&T	2/25/97	2/26/97	3/26/97
Bell South Cellular (recip. comp.)	2/25/97	3/5/97	5/28/97
GTE MobileNet (recip. comp.)	2/11/97	3/5/97	5/28/97
GTE MobilNet - Ft. Wayne (recip. comp.)	2/11/97	3/5/97	5/28/97
GTE MobilNet - RSA6 (recip. comp.)	2/11/97	3/5/97	5/28/97
GTE MobilNet - So. Ind (recip. comp.)	2/11/97	3/5/97	5/28/97
GTE MobilNet Ltd. (recip. comp.)	2/11/97	3/5/97	5/28/97
GTE MobilNet RSA3 (recip. comp.)	2/11/97	3/5/97	5/28/97
Sprint	2/25/97	3/7/97	4/11/97
Ameritech Mobile (recip. comp.)	2/28/97	3/19/97	6/11/97
AT&T Wireless (recip. comp.)	3/17/97	4/11/97	7/2/97
Nextel (recip. comp.)	4/19/97	5/2/97	7/30/97
LCI International (resale)	5/7/97	5/20/97	
Access Network Services (recip. comp.)	5/30/97	6/6/97	
Sprint Spectrum (recip. comp.)	5/30/97	6/13/97	
Bell South (EAS)	6/27/97	6/30/97	
GTE (EAS)	6/27/97	6/30/97	
ACSI (recip. comp.)	4/30/97	7/11/97	
Millenium Corp. (resale)	7/10/97	7/15/97	
Entrant	Signed	Filed	Approved
AT&T Wireless (recip. comp.)	3/17/97		
KMC Telecom	4/22/97		
LCI International (resale)	7/8/97		
Brooks (N)	8/5/96	12/6/96	11/26/96
WinStar (N)	11/27/97	12/18/96	3/10/97
MFS (N)	5/17/96	12/30/96	12/20/96
US Network (resale) (N)	4/26/96	2/6/97	1/28/97
TCG (A)	2/18/97	2/19/97	2/28/97
Air Touch (recip. comp.) (N)	12/17/96	2/21/97	2/11/97
AT&T (A)	1/29/97	3/7/97	4/4/97
BRE Communications	2/3/97	3/11/97	6/5/97
Sprint (A)	2/25/97 (7)	3/14/97	4/4/97
360 Communications	1/29/97	4/2/97	6/25/97
Coast to Coast	3/17/97	4/30/97	6/25/97
Ameritech Mobile (recip. comp.)	3/11/97	5/7/97	7/31/97